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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, SEPTEMBER 13, 2001

APPLICATION OF

ACN ENERGY, INC.

CASE NO. PUE010361

For a license to conduct business as a competitive service provider in a natural gas retail access pilot program

ORDER GRANTING LICENSE

On June 25, 2001, ACN Energy, Inc., ("ACN" or "the Company"), filed an application for a license to conduct business as a competitive service provider in a natural gas retail access pilot program, as provided by the Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs ("Interim Rules"), 20 VAC 5-311-10 et seq. The Company intends to serve residential customers participating in the natural gas retail access program of Washington Gas Light Company ("WGL").

On August 16, 2001, the Commission issued its Order for Notice and Comment, establishing the case, providing for the receipt of comments from the public, and requiring the

request to participate in its natural gas retail choice program.

¹ By Commission Order dated March 7, 2001, in Case No. PUE000474, the Commission approved an application by WGL to implement on a permanent basis natural gas retail supply choice to all of its customers in Virginia, including those served by its Shenandoah Gas Division. Therefore, the Commission will treat ACN's request to participate in WGL's pilot as a

Commission's Staff to analyze the reasonableness of ACN's application and present its findings in a Staff Report to be filed on or before August 31, 2001. No comments from the public on ACN's application were received.

The Staff filed its Report on August 31, 2001, concerning ACN's fitness to provide competitive natural gas service. The Staff concluded that ACN meets the technical and financial fitness requirements for licensure. As such, the Staff recommended that a license be granted to ACN Energy, Inc., for the provision of natural gas service to residential customers in the WGL retail access program.

ACN filed a response to the Staff Report on September 7, 2001, clarifying that its parent company, ACN, Inc., is an Inc. 500 Company not a Fortune 500 Company as indicated in the application.

NOW UPON CONSIDERATION of the application, the Staff Report, the Company's response and the applicable law, the Commission finds that ACN's application to provide natural gas service should be granted. However as we have noted, WGL has been authorized to implement full natural gas retail choice to all of its customers, consequently, it no longer has a pilot program. In Case No. PUE010013, by Order dated June 19, 2001, the Commission adopted Rules Governing Retail Access to Competitive Energy Services, 20 VAC 5-312-10 et seq. ("Retail

Access Rules"), effective August 1, 2001. Since WGL no longer has a pilot program, we will treat ACN's request to participate in WGL's pilot as a request to participate in its natural gas retail choice program.

Accordingly, IT IS ORDERED THAT:

- (1) ACN Energy, Inc., is hereby granted license No. G-2 to provide competitive natural gas service to residential customers in conjunction with the retail access program of WGL. This license to act as a competitive service provider is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.
- (2) This license is not valid authority for the provision of any product or service not identified within the license itself.
- (3) Failure of ACN Energy, Inc., to comply with the Retail Access Rules, the provisions of this Order, other State

 Corporation Commission orders and rules, or other applicable state or federal laws may result in an enforcement action by the Commission including, without limitation, the revocation, suspension, or modification of the license granted herein, the refusal to renew such licenses, the imposition of appropriate fines and penalties, or such other additional actions as may be necessary to protect the public interest.
 - (4) This matter is hereby dismissed.